

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED TARIFF OF MCI TELECOMMUNICATION)
CORPORATION FOR INMATE CALLING SERVICE) CASE NO. 95-038

O R D E R

On December 2, 1994, MCI Telecommunication Corporation ("MCI") filed a proposed tariff for Inmate Calling Service containing per minute usage rates and operator assistance surcharges. The tariff was filed pursuant to a contract under which MCI will provide inmate services to the Commonwealth of Kentucky's Department of Corrections. On December 22, 1994, South Central Bell Telephone Company ("South Central Bell") filed a motion to intervene in MCI's tariff filing and asserted that MCI was not adhering to Commission requirements for pay phones.

Specifically, South Central Bell asserts that Administrative Case No. 337¹ orders and its tariff require that: 1) each customer premises telephone available for inmate use should be connected to the switched network via a customer-owned, coin-operated telephone ("COCOT") access line; 2) all 0+ local traffic should be handled by the local exchange company; and 3) all 0+ intraLATA traffic should be handled by the local exchange company. According to South Central Bell, it is unclear whether MCI will meet those requirements or whether MCI intends to physically provide the

¹ Administrative Case No. 337, The Investigation and Review of Customer-Owner, Coin-Operated Telephone Regulation.

services in a different manner and merely bill the Commonwealth at the rates in the local exchange carriers' tariffs.

On January 18, 1995, MCI responded to South Central Bell's motion and extended the effective date of the tariff to January 31, 1995. On January 27, 1995, South Central Bell filed a reply to MCI's response.

MCI's tariff is limited by its terms to inmate services. It was filed pursuant to a contract with the Commonwealth which was awarded after receipt of competitive bids. In a January 21, 1992 Order in Administrative Case No. 337, the Commission excepted confinement facilities, including correctional and mental health facilities, from its requirements for COCOTs. The Order states:

Inmate phone service will only provide automated collect or debit card service for local and long distance calls from pay phones located at correctional or mental health facilities in accordance with institutionally authorized telephone program.

South Central Bell contends that the service to be provided under the contract is a COCOT service and that each telephone in the correctional institution available for use by inmates should be connected to the switched network by its own COCOT access line. In other words, it is South Central Bell's position that no line concentration devices can be used and that COCOTs cannot be connected to the network through a PBX which requires fewer access lines.

MCI responds that call screening cannot be efficiently accomplished without line concentration and that it can only comply

with the institutionally authorized telephone program by concentrating the lines and serving them over T1 access. South Central Bell responds that all public access stations, including those serving inmates, are to have individual access lines to the network and are to be given priority for dial tone in emergencies.

However, pay phones located at confinement facilities are not made available for emergency services. Authorities are always present to contact emergency services. Further, line concentration will benefit confinement facilities if MCI purchases adequate lines to ensure that dial tone is available in compliance with Commission regulations.

South Central Bell further argues that MCI should not handle 0+ local traffic or 0+ intraLATA traffic. MCI responds that local calls will not be 0+; the inmate will dial the local number and it will be screened and then routed to the local exchange carrier. MCI also notes that, pursuant to the December 29, 1994 Order in Administrative Case No. 323,² it is authorized to carry 0+ intraLATA calls. Because MCI's tariff is filed pursuant to the award of a contract for inmate services pursuant to an institutionally authorized telephone program, it is not necessary to address any arguments related to intraLATA competition. The Commission will permit MCI to carry the traffic as it plans.

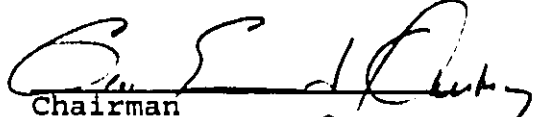
² Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality.

The Commission, having considered MCI's proposed tariff for Inmate Calling Services and South Central Bell's motion to intervene, MCI's response thereto, and South Central Bell's reply, and having been otherwise sufficiently advised, HEREBY ORDERS that:

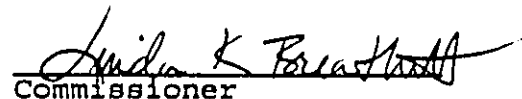
1. South Central Bell's motion to intervene is granted.
2. MCI's tariff shall be approved.
3. The decision contained herein shall be limited to pay phones at confinement facilities.
4. Within 20 days of the date of this Order, South Central Bell shall file a tariff modifying the requirement concerning line concentration for pay phone service at confinement facilities.
5. MCI's tariff for Inmate Calling Service shall be effective 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 31st day of January, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director